

FISCAL NOTE

SB 2872 - HB 2649

February 12, 1998

SUMMARY OF BILL: Raises the Unemployment Insurance Trust Fund premium rate table trigger levels by \$100 million on all nine of the premium rate tables for nongovernmental employees.

ESTIMATED FISCAL IMPACT:

MINIMAL

There would be no immediate impact, since the balance in the Unemployment Insurance Trust Fund as of December 31, 1997 was \$827 million and is still higher than the proposed new trigger level of \$750 million. Nongovernmental employers would continue to pay premiums based on the lowest premium rate table. The University of Tennessee's July 1997 TESIM Forecast Model, which goes through the year 1999, projects that the trust fund will not fall below the \$750 million on any June 30 or December 31 during that period.

In the event that future economic changes causes the Unemployment Insurance Trust Fund to fall below \$750 million, higher premium amounts would be paid into the trust fund at an earlier date than with the Current trigger levels. The amount of additional revenue generated would be significant at that point in time.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

